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MINISTRY OF INDUSTRY AND SMALL BUSINESS DEVELOPMENT

ANNUAL REPORT

1982/83

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To the Honourable DON PHILLIPS,
Minister of Industry and Small
Business Development, Victoria,
British Columbia

SIR:

I have the honour to submit herewith
the Report of the Ministry of
Industry and Small Business
Development for the fiscal year ended
March 31, 1983.

A. L. PEEL
Deputy Minister
Ministry of Industry and Small
Business Development

To the Honourable HENRY P. BELL-IRVING
D.S.O., O.B.E., E.D.
Lieutenant-Governor of
British Columbia

MAY IT PLEASE YOUR HONOUR:

I beg to submit the Report of the Ministry of Industry and Small Business Development for the fiscal year ended March 31, 1983.

DON PHILLIPS
Minister of Industry and
Small Business Development

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THE YEAR IN REVIEW

April/82 — At the invitation of the Government of British Columbia, a delegation of plywood specialists from China visits the province. They examine manufacturing capabilities and investigate the availability of processing equipment. In May, 1982 officials of the provincial and federal governments, and representatives of the Council of Forest Industries travel to China to examine the market potential for B.C. forest products.

A joint government-industry-business delegation sponsored by the Japanese Ministry of International Trade and Industry visits B.C. to assess the long-term investment climate in Canada. The group's report is expected to have a significant effect on future Japanese investment in the province.

May 7/82 — A $645,000 low-interest loan is approved under the Industrial Development Subsidiary Agreement (IDSA) for a 1,738 square metre industrial mall in Port Alberni.

May 8/82 — The Greenwood Museum, built with the aid of a $180,000 loan under the Travel Industry Development Subsidiary Agreement (TIDSA), is officially opened in that West Kootenay town.

May 14/82 — The 4,050 square metre Inkameep Vineyard Ltd. winery building is officially opened in Oliver. Built with the aid of a $1.9 million low-interest IDSA Loan, the winery is located on land owned by the Osoyoos Indian Band and operated under lease by one of Canada's largest vinters, T.G. Bright & Co. Ltd. The firm installed $3 million in new equipment and expects to produce up to one million gallons annually from the facility. Up to 45 new full-time jobs are anticipated.

May 28/82 — Duke Point Industrial Park, the largest industrial land complex on Vancouver Island, is officially opened. Developed under a $28 million IDSA loan agreement by Duke Point Development Ltd., a subsidiary of the B.C. Development Corporation, the 114-hectare site is expected to accommodate new industry employing up to 2,500 workers. Construction of the project began in 1977.

May 29/82 — A 3.85 hectare industrial site is officially opened at Oliver. Developed with the aid of a $220,941 IDSA low-interest loan, the site is expected to accommodate industry producing up to 100 new jobs.

June 1-4/82 The ministry sponsors the annual B.C. Food Festival, in Vancouver, in conjunction with the Ministry of Agriculture and Food.

June 10/82 The ministry releases "Livin' on Commercial Drive", a slide-tape presentation designed to encourage entrepreneurship as a career alternative. The program is aimed at secondary and college students. Other programs produced by the ministry include "Running Your Own Show" (on business planning), and "You've Got to Know the Game to be a Winner", which outlines the services offered in the province-wide Business Information Centre network sponsored by the ministry.

June 11/82 A $505,000 loan is approved under TIDSA to assist in restoring historical buildings and to construct 12 serviced campsites in Rossland.

June 12/82 The Radium Hot Springs Resort, a four-season recreation facility constructed with the aid of a $600,000 low-interest loan under TIDSA, is officially opened. With a total value of $11 million, the 121.5 hectare recreation and hotel complex includes tennis and racquetball courts, swimming pool, restaurant and lounge facilities and a nine-hole golf course. Thirty-five full-time and 20 seasonal jobs are anticipated.

The 12.6 hectare Elkford Industrial Park, built with the aid of a $2.2 million IDSA low-interest loan, is officially opened. Fifty percent of its first phase capacity is already sold by opening day, and officials expected to advance the start date for phase two to meet the demand. A total of 300 new jobs are anticipated in phase one.

June 16/82 A 125-site recreational vehicle park is officially opened in Prince Rupert. Built with the aid of a $204,800 TIDSA loan, the site is expected to ease congestion in Prince Rupert due to heavy visitor traffic utilizing RV equipment.

June 28/82 A low-interest loan of $242,015 is approved under IDSA for the construction of a 4.2 hectare industrial site at Armstrong. It is the first serviced industrial site in the North Okanagan centre, and is expected to accommodate 100 jobs.

June 29/82 Prince Rupert is selected as the site for a new petrochemical plant to be built by Transtec-Simon T.R., a B.C. based consortium. Total capital investment in the site is expected to reach $99 million, providing 230 jobs in the construction

phase, and 30 permanent jobs in operation. Land for the site is owned by the B.C. Development Corporation.

June 30/82 A $500,000 low-interest loan is approved under IDSA for the development of a 24.3 hectare industrial park at Kelowna. Overall cost of the project is expected to be $2.9 million and 600 jobs are expected to result.

July/82 "Managing in Difficult Times", the ministry's seminar series aimed at maximizing good business techniques in response to the worldwide recession, begins its province-wide tour. Panels composed of experts from both the private and public sector travel to hard-pressed B.C. communities to assist businesses affected by the drop in retail spending. The series proves so popular it is extended into 1983, eventually appearing before 5,700 business people in 33 communities. More than 200 persons take advantage of the special follow-up counselling sessions offered. Total cost of the program is $90,000, or slightly less than $16 per person attending.

July 10/82 The seven components of a major new four-season recreation complex are officially opened in Kimberley. Constructed with the aid of a $3 million loan under TIDSA, the complex includes a 43-unit hotel, day lodge and restaurant, conference and recreation centre, a 60-site all-season campground, an 18-hole golf course, plus an improved access road and parking lot.

July 14/82 A low-interest loan of $230,526 is approved under IDSA for an industrial park in Lumby. A sod-turning ceremony is conducted by the Honourable Don Phillips on August 27.

July 29/82 The Honourable Don Phillips announces the establishment of "awards of excellence" for superlative performances by contractors working on the North East Coal Project. The awards are in recognition of jobs performed on North East Coal project sites from Tumbler Ridge to Prince Rupert.

August 13/82 The ministry releases the North East Coal Cost-Benefit Analysis. The study, conducted by an intergovernmental economic, financial and marketing

committee established under the North East Coal Project Subsidiary Agreement, concludes that North East Coal represents "an economically efficient use of private and public resources."
The study predicts the project will generate a return on the total estimated investment of $2.9 billion ($1.3 billion from the public sector) of 10% in real terms and, in addition, $464 million surplus in 1980 dollars. Total direct, permanent, new job creation is expected to reach 2,230. In addition, 5,130 permanent new jobs are expected to be created indirectly throughout Canada.

August 20/82 The Campbell River Industrial Park, built with the aid of a $2,290,400 low-interest loan under IDSA, is officially opened. There are 27 lots in the 10-hectare park, located eight kilometres north of the city on the North Island Highway.

August 30/82 A loan of $1 million is approved under TIDSA toward the development of an important new alpine recreation facility at Fernie. The TIDSA funds are to be used to develop the infrastructure, while private investor funding will develop a day lodge, ski shop, restaurant and accommodation facilities and increased lift capacity. The site is in the Lizard Mountain Range, five kilometres southwest of Fernie. The construction is expected to produce 288 jobs, while operation will produce 21 full-time jobs.

Sept. 4/82 The Dawson Creek Heritage Industrial Park is officially opened by the Honourable Don Phillips. Built with the aid of a low-interest loan of $1,555,000 under IDSA, the 29.3 hectare park is the first heavy industrial park in the South Peace region and is expected to meet industrial demands emanating from the nearby North East Coal Project.

Sept. 15/82 The federal and provincial government agree to extend the Canada-British Columbia Special Rural Development Agreement (Special ARDA) for one year, to March 31, 1984. Special ARDA provides funds for the improvement of income and employment opportunities for Native people in rural B.C. Up to $6.7 million in federal funds are available.

The Cabinet Committee on Economic Development releases the North West Region 1982: An Economic Development Strategy, a 140-page blueprint of

resources and opportunities identified through research on this part of the province. The report, prepared by the ministry's Economic Development Policy Bureau, is the first of a series being done as the government moves towards a development strategy for the resource-rich region.

Sept. 17-24 Thirty-eight executives representing forest industry firms in various Pacific Rim countries participate in a comprehensive tour of sites and facilities here, attend the Forest Industries Equipment Exhibition and meet with B.C. business executives. The tour is conducted under the auspices of the ministry.

Sept. 21/82 The Honourable Don Phillips announces the introduction of the Low Interest Funding Today (LIFT) program of financial assistance to B.C. small and medium sized businesses. The $200 million funding program consists of three components: $10 million under Small Manufacturers Development Assistance, $20 million under the Low Interest Loan Assistance program and $170 million under the B.C. Small Business Development Fund. It is anticipated the first two programs alone will generate 5,500 new jobs, while the SBDF program will help preserve and create thousands more through modernization, expansion and the improved ability of assisted firms to seize new market opportunities. By the end of the fiscal year, 238 firms receive $32,585,000 in loans under the three programs, creating or preserving 4,965 jobs. Major funding for LIFT is provided by the sale of B.C. Development Bonds.

Sept. 27/82 The Honourable Don Phillips and Senator Ray Perrault officially open the Ridley Island Access Road, a 6.73 km link between the B.C. mainland and the new $450 million Prince Rupert superport. Constructed under IDSA, at a cost of $9.6 million, the road requires the removal of more than 560,000 cubic metres of muskeg and the traversing of 11 watercourses. It permits road access to the new grain and coal bulk loading terminals on Ridley Island.

Oct. 17-20 A 10-member delegation from the Association of Southeast Asian Nations (ASEAN) tours B.C. manufacturing facilities under the auspices of the ministry. The delegation consists of foreign ambassadors and senior trade officers to Ottawa from

Indonesia, Malaysia, Thailand, Singapore and the Phillipines. B.C. exports to ASEAN countries reached $165 million annually by 1981.

Nov. 3/82 As the result of a petition by the United States Coalition for Fair Canadian Lumber Imports, the U.S. International Trade Administration division of the Department of Commerce begins an investigation to determine if Canadian softwood lumber exports should be subject to countervailing duties under U.S. Law. The petition is opposed by the Canadian Softwood Lumber Committee. Research and analysis for the Canadian position is assisted by the ministry. A preliminary ruling is scheduled for March 7, 1983.

Nov. 8/82 The Honourable Don Phillips and senior members of the ministry staff commence the series of seminars "Let's Talk Business B.C." The series explains the ministry's programs and policies, including LIFT and B.C. Development Bonds, and provides follow-up counselling to attending business representatives. More than 24 B.C. communities are scheduled on the tour.

Nov. 12/82 The Honourable Don Phillips and the Honourable Ed Lumley, federal Minister of Regional Economic Expansion and Industry, Trade and Commerce, announce that agreement has been reached with Toyota Canada Ltd. to construct a $23 million aluminum wheel manufacturing plant in the Tilbury Industrial Park in Delta. The 4,600 square metre facility is to be built with the assistance of a $5.5 million low-interest loan under IDSA. Production is expected to reach 240,000 wheels a year, providing 100 skilled jobs at the plant and a substantial number of indirect jobs in the lower mainland. Representing Toyota Canada Ltd. at the announcement ceremonies is president Yukiyasu Togo.

Nov. 22-23 The ministry sponsors the Defence Industries Opportunities Seminar in Vancouver, in conjunction with the Ministry of Universities, Science and Communications, the federal Departments of Industry, Trade and Commerce and of External Affairs. A total of 145 people, representing 115 companies and five educational institutions in B.C. attend. The seminar is designed to identify opportunities and guide B.C. firms in the correct way to do business with the United States Defense Department.

Nov. 29-30 The ministry sponsors the Westcoast Offshore Oil/Gas Expectations and Opportunities Conference, in Vancouver. More than 500 persons representing government, industry, environmental groups and other interests hear 12 technical papers presented on west coast oil and gas potential, plus environmental assessments, especially on the commercial and sports fishery.

Nov. 30/82 An extensive waterfront redevelopment project, designed to increase tourism potential and decrease the community's dependence on the forest industry, is announced in Port Alberni. The $2.3 million project is to be assisted through a TIDSA loan of $1.1 million. Phase One is to centre on development of a multi-purpose covered market and display area adjacent to the pier used by the popular tour vessel Lady Rose.

Dec. 13/82 Phase Two of the City of Nelson's Heritage Centre downtown rehabilitation program is approved. A loan of $100,000 is offered under TIDSA towards the cost of the project.

Dec. 30/82 The Honourable Don Phillips and the Honourable Pat McGeer, Minister of Universities, Science and Communications, depart on an economic mission to Japan and Korea.

The Ministers discuss trade relations over a broad range of issues, including coal and natural gas exports and opportunities for further development of gallium arsenide (microchip) devices in B.C. In Korea, Mr. Phillips discusses further opportunities for B.C. lumber and coal exports.

Feb. 25/83 A loan of $1,750,000 is approved under TIDSA towards the cost of developing a major new ski resort at Silver Star, near Vernon. The TIDSA loan is to be used to cover water and sewer construction costs involved in the five-year, $40 million resort development. The project is expected to raise Silver Star's status from a primarily day-use facility to that of a full-scale destination resort, with an estimated capacity of 3,000 beds.

Mar. 3/83 Representatives of the Council of Forest Industries and affiliated associations meet government and industry personnel in Seoul, Korea, to evaluate the current market potential for spruce-pine-fir lumber

and to promote the Canadian platform construction method. The visit is sponsored under the Cooperative Overseas Market Development Program, a jointly-funded program of the ministry, the federal government and COFI.

Mar. 7/83 The United States International Trade Administration hands down its preliminary ruling on the issue of countervailing duties on Canadian softwood lumber imports and rules in Canada's favour. A final decision announced April 13, 1983, by the U.S. Department of Commerce upholds the preliminary findings.

Mar. 31/83 The Assistance to Small Enterprise Program (ASEP), a sub-agreement under IDSA, concludes its six-year operating period. ASEP provided interest-free loans of up to $30,000 to small manufacturers and processors outside the lower mainland and capital regions. During its lifetime, a total of $9,892,844 loans were approved for 572 projects, creating an estimated 2,500 new jobs. The program was replaced by the Small Manufacturers Development Assistance program under LIFT.

SMALL BUSINESS AND REGIONAL INDUSTRIAL DEVELOPMENT DIVISION

Objective

The Small Business and Regional Industrial Development Division has five branches:

i) Program Design and Project Appraisal
ii) Program Coordination
iii) Community Economic Development
iv) Financial Evaluation
v) Small Business Services

Together they are responsible for designing, negotiating, implementing and coordinating intergovernmental and joint government-industry programs and projects.

In the past year, the Division's role was expanded to include provincial interaction with federal government departments on all matters of economic development.

The Division administers the ministry's small business programs, its community-based regional industrial development programs and performs financial, accounting and taxation analysis of both. It also provides analysis on request from other government ministries and agencies, including all applications to the federal Foreign Investment Review Agency involving potential investment in British Columbia.

Much of the Division's work involves administering the major programs which emanated from the General Development Agreement signed by Ottawa and the Province of British Columbia in 1974. Ten subsidiary agreements, collectively addressing a broad range of economic subjects, have been signed since the GDA was adopted. Five of these are currently active. They are:

- Industrial Development Subsidiary Agreement (IDSA) Term: 1977-1983 — $70 million
- Travel Industry Development Subsidiary Agreement (TIDSA) Term: 1979-1984 — $50 million
- Intensive Forest Management Subsidiary Agreement Term: 1979-1984 — $50 million
- Agriculture and Rural Development Subsidiary Agreement (ARDSA) Term: 1977-1983 — $60 million

- Ridley Island Road Access Subsidiary
  Agreement Term: 1980-1983 $9.6 million
  The division assesses, approves and monitors projects funded under these subsidiary agreements. All funding is shared equally by the federal and provincial governments.

  Responsibility for implementing these agreements is distributed among the Division's five branches, as indicated below.

Program Design and Project Appraisal

The branch is responsible for the Intensive Forest Management Sub-Agreement, the Agriculture and Rural Development Sub-Agreement, and the Special Rural Development Agreement addressing native Indian economic development. In addition, the branch is responsible for coordination of provincial funding contributions to the Burns Lake Native Development Corporation. The branch is also responsible for coordination of provincial financial participation in the Cooperative Overseas Market Development Program (COMDP). For more information on both of these programs, see Grants.

The branch's development activity during 1982/83 included the extension, for one year, of the Special Rural Development Agreement (SARDA), and a comprehensive evaluation of the Industrial Development Subsidiary Agreement (IDSA) and of the Agriculture and Rural Development Subsidiary Agreement (ARDSA).

During the year, a total of 180 applications to the Foreign Investment Review Act (FIRA) were reviewed before being forwarded to Ottawa for a final decision by the federal Cabinet. Of these, 104 came under the short review process (for businesses with gross assets of less than $5 million and fewer than 200 employees), and 76 under the more detailed regular review process.

Of the 76 regular cases, 46 were allowed and 3 were disallowed, 6 were withdrawn and 21 are still under review.

Of those allowed, 36 involved the acquisition of existing businesses and 10 involved the establishment of new businesses.

Applications for existing businesses represented combined assets in excess of $3 billion, while the establishment of new businesses by foreign investors represented some $540 million of capital injected into the British Columbia economy. The branch also monitors overall foreign investment levels in

British Columbia. Amendments to the federal legislation, regulations, and review agency procedures are closely monitored to ensure that the province's economic interests are respected.

Program Coordination Branch

The Program Coordination Branch coordinates, implements and administers programs under the TIDSA and IDSA Sub-Agreements and provides financial, market, and planning advice to businesses funded through them.

Again this year, the branch has been particularly active in stimulating the development of British Columbia's travel industry through the provision of capital and planning assistance under TIDSA. Major emphasis has been placed on travel generators and ski area development. Branch staff have worked with regional and local governments, the business community and industry organizations to stimulate the development of this vital industry.

Activities

Travel Industry Development Subsidiary Agreement

Planning/Industry Organization
Nine studies were completed during the year, bringing the cumulative total to 62. These included resort master plans for Apex Alpine, (Penticton), Fernie Snow Valley and Silver Star (Vernon) ski areas, an opportunity identification study for the small conference-seminar sector of the tourism industry, a harbourfront development study for the City of Port Alberni and several economic profiles and analyses.

Other accomplishments include:
- Production of the "Meetings Manual", a handbook to aid resort operators and meeting site planners in hosting and staging successful meetings and conferences.
- Distribution of regional tourism plans (discussion documents) for each of the nine tourism regions.

Travel Generators

The travel generators program assists in the creation, improvement, and expansion of attractions to entice tourists to stay longer in the province. An estimated 880 jobs were created to March 31, 1983 and an additional 120 are expected to result by 1984, through direct private investment exceeding $45 million. During the fiscal year, 14 projects were approved, for a cumulative total of 46.

Skiing and Related Facilities

The skiing development program aids in the development of regional and world-class ski resorts which offer year-round multi-recreational facilities. This year, the following ski areas received offers of capital assistance for major expansion programs:

Silver Star	$1.75 million
Fernie Snow Valley	$1 million

TIDSA commitments to ski areas now exceed $22 million and have created approximately 2,970 new jobs.

Approvals during fiscal 82/83 totalled three, for a cumulative total of 29.

Low Interest Loan Assistance (LILA)
Low Interest Funding Today (LIFT)

The branch is also responsible for liaison between the Ministry and the British Columbia Development Corporation in order to facilitate the financing of the Corporation's activities under LILA, a part of LIFT, the major financial assistance programs provided by the B.C. government.

The LILA program, instituted in 1977, provides low interest loans of up to $200,000 for eligible manufacturers. During the fiscal year, $7.85 million in loans was approved, bringing the cumulative total to $47.85 million. The program has resulted in the creation of a total of 4,015 jobs to date. In 1982, an additional $20 million was allocated to this program.

The Low Interest Funding Today program (LIFT) announced in September, 1982, brought together LILA with two new programs: SBDF and SMDA. SBDF makes $170 million available to manufacturing, processing and high technology businesses. These funds are offered at a fixed rate with a three-year term. Two hundred and eight applications, representing $49.5 million in LIFT funding and a potential 5,020 jobs received preliminary approval during the year.

Community Economic Development Branch

The Community Economic Development Branch is responsible for encouraging new industrial development at the community level. The branch plans and implements programs particularly those funded through the IDSA sub-agreement; which serve to coordinate public and private sector development proposals.

Other programs administered by the branch include LIFT's Small Manufacturers Development Assistance program, and the Economic Development Commissioners program. The branch also participates in municipal, regional and provincial industrial land use planning processes, providing resources and guidance to municipal and regional governments and the private sector.

Activities

Industrial Development Subsidiary Agreement - As a result of amendments signed by the province and Ottawa, IDSA's infrastructure programs (industrial parks, sites and malls, and advance factory space) will be extended to 1993 by recycling capital from infrastructure loans made during the initial six years.

The following provides a summary of the branch programs under that sub-agreement:

Research - To date, $1,734,369 has been approved for 80 projects. These include market assessments for existing and potential British Columbia products and industrial land supply and demand studies. The program has also funded 50% of the costs for several industrial firms to undertake market and economic feasibility studies.

Economic Development Commissions - Twenty-two commissions are in place, all supported by a cost-sharing arrangement with regional district governments. In cooperation with the ministry's Business Development Branch, in Vancouver, this program sponsors the activities of each commission in the promotion of economic development at the regional level. The branch also helps fund municipal economic development commissions in the Lower Mainland and Greater Victoria.
Industrial Parks and Sites - IDSA has assisted 23 industrial land developments since the signing of the agreement, including, in 1982, three new projects valued at over $6 million. This assistance has increased the province's supply of serviced industrial land by more than 526 hectares, and it is estimated that development encouraged by the availability of this land will ultimately provide 8,000 to 11,000 jobs.

Assistance to Small Enterprise Program - The Assistance to Small Enterprise Program was enacted in 1977 and expired on March 31, 1983. It provided interest-free, loans of up to $30,000 for capital expenditures by small business ventures in the manufacturing and processing sectors. Over the life of the ASEP program, $9,892,844 was approved for 572 projects, creating an estimated 2,500 new jobs.

Supplemental Activities

Small Manufacturers Development Assistance Program (SDMA) -

This program, which forms part of the "LIFT" program for small business development announced in September, 1982, provides loan funds to small businesses involved in manufacturing, processing and high technology throughout British Columbia. By March 31, 1983, 223 applications had been received under SMDA, and 45 of those had been approved. The approvals totalled $920,000 in funding and were expected to generate 341 jobs.

Financial Evaluation Branch

The Financial Evaluation Branch is responsible for field evaluations of applications for financial assistance under the small business elements of existing federal-provincial cost-shared development programs, and those financed solely by the province. Each project is reviewed to ensure effective program delivery.

In 1982, the branch reviewed 476 applications for financial assistance under the Assistance to Small Enterprise Program and the Small Manufacturers Development Assistance Program, resulting in some $910,936 being provided to 66 small businesses. This is expected to result in the creation of 359 new jobs.

Small Business Services Branch

The objective of the branch is to improve business skills in the small business sector of the provincial economy.

Branch activities provide the business public in all areas of the province with awareness of, and access to government programs and services. Individual advice is also offered, through personal interview and by seminars.

Officers of the Small Business Services Branch responded to over 20,000 requests for business information and counselling in 1982-83. These requests came through the Vancouver and Victoria Small Business Centres and during tours throughout British Columbia.

Activities

Managing in Difficult Times - In response to the recessionary economy, the Small Business Services Branch sponsored a series of business survival seminars. The "Managing in Difficult Times" seminars were held in over 30 communities throughout the province.

Experts in marketing, retailing, business law and finance conducted seminars structured around three themes: legal, accounting and financial considerations for small business; managing a business in the troubled 1980's; and retail business survival. Over 5,700 small business operators attended these seminars.

"Livin' on Commercial Drive" - The branch launched an entrepreneurial awareness audio-visual entitled "Livin' on Commercial Drive" in the spring of 1982. The production promotes entrepreneurship as a career alternative, examining both the pros and cons of going into business. Its target audience is senior students at the high school and college level, and is being shown to audiences in high schools, trade schools, community colleges, Chambers of Commerce and business associations around the province. Response so far indicates it has been well received.

In 1982, the branch introduced a new publication Preparing a Business Plan, a practical guide to business planning, attracting investors, and applying for bank loans. With the support of the province's commercial lenders, it is being distributed by the major banks and credit unions to assist their small business customers.

Running Your Own Show - A series of business planning workshops developed by the branch for the community colleges was presented by 10 colleges in various communities around the province during the year.

The Business Information Centre program was expanded by 7 new centres in the 1982/83 fiscal year. In total, over 48,000 business inquiries were handled by the Chamber of Commerce personnel staffing these 72 centres.

Also, an awareness and promotional audio-visual was introduced. It is used by the Chambers of Commerce and other associations to promote sound business preparation and awareness of access to business information and assistance through the BIC network.

Assistance to Associations Program - A program designed to encourage business, trade and industry associations to provide their members with business management learning opportunities, AAP provided eleven associations with financial support totalling nearly $11,500 during the year.

Management Assistance Program - A program offering financial assistance for hiring consultants to undertake studies that can improve a firm's profitability, marketing capability, or management effectiveness, MAP assisted six firms and organizations during the past year, at a cost of $16,500.

TRADE AND INDUSTRY DIVISION

The Trade and Industry Division pursues four major objectives: to expand and diversify the existing industrial and commercial base in the province; to increase the production and export of British Columbia goods and services; to encourage new investment in the province; and to develop trade policy and trade promotion strategies for British Columbia.

In order to meet these objectives, the division is organized into four principal branches. They are:

i) International Economic Relations
ii) Trade and Capital Projects
iii) Business Development (which includes B.C. House - London)
iv) Industry.

During 1982/83, the division undertook an aggressive program and the results of that activity are provided below.

International Economic Relations Branch

The International Economic Relations Branch is responsible for the development of British Columbia's international trade policy. In this regard, they work closely with other provinces and the federal government. Assistance is also provided to companies seeking information related to Canadian and foreign tariff and non-tariff matters.

The branch prepared British Columbia's discussion paper entitled "Canadian Trade Policy in the 1980's". This contributed to the formulation of a joint provincial paper aimed at providing the federal government with views and suggestions on the direction of Canada's trade policy for the coming decade. The branch also developed position papers for a number of significant meetings and conferences including the Annual Premiers' Conference, the 1982 GATT Ministerial meeting in Geneva, the Conference of Ministers responsible for International Trade, and the Federal/Provincial Committee of Deputy Ministers on International Economic Relations.

During the year, the branch also focused its efforts on a number of other trade policy matters including the Canada/E.E.C. Economic Framework, the federal government Task Force on Trade in Services, the restriction of Japanese automobile exports to Canada, the imposition of footwear quotas, and the proposed establishment of CANAGREX.

The branch, in cooperation with other ministries, played a major role in the development of British Columbia's position against the U.S. petition for a countervailing duty on

softwood lumber. This investigation was initiated on November 3, 1982, by the International Trade Administration of the U.S. Department of Commerce based on a petition filed by a coalition of U.S. producers of forest products. The petition claimed that Canadian producers of lumber, shakes, shingles and fencing material are being subsidized through a variety of programs. The defence against the subsidy charges was coordinated by the Canadian Softwood Lumber Committee, through U.S. legal counsel, with assistance from provincial and federal governments.

On March 7, 1983, the International Trade Administration of the U.S. Department of Commerce made its preliminary decision and determined that many programs under investigation were not subsidies under U.S. law. The International Trade Administration also concluded that the benefits from those programs found to be subsidies had a very low impact and were not legally significant. During the period between the preliminary and final decision, an important part of the International Trade Administration's investigation involved verifying the data on which the preliminary determinations were based. The MISBD and other ministries (both provincial and federal) cooperated in the on-site verification of these data.

On March 21, 1983, the petitioners, the Coalition for Fair Canadian Lumber Imports, filed a judicial appeal with the U.S. Court of International Trade against the U.S. Department of Commerce. The appeal requested the court to reverse two of the International Trade Administration's preliminary determinations related to stumpage issues. On April 13, the U.S. Court of International Trade dismissed the petitioners' judicial appeal, and the U.S. Administrative process continued. On May 23, 1983 the International Trade Administration delivered its final determination which upheld the preliminary ruling.

Trade and Capital Projects Branch

This branch assists British Columbia companies to develop export markets. Staff match export opportunities with local supply capability and assist B.C. firms in achieving potential sales. During 1982/83, the branch implemented an aggressive trade mission program which produced substantial additional export sales for local firms. Some highlights are shown below.

Activity	Products	Immediate Sales
Food Hotel Asia Trade Fair May 1982	Fish Products	- $150,000.
	Processed Food	- $17,000.
Forestry Equipment Mission to Peru / January 1982	Consulting Contract	- $6 million

Seafood Mission to San Francisco / September 1982	Processed Fish	- $170,000.
Reconnaissance Mission to Saudi Arabia / June 1982	Specialty Drugs	- $50,000.
Aviation Mission to ASEAN Countries / March 1981	Helicopter Repair Jigs	- $250,000.
Australian Sales Development Activities / Ongoing	High Fashion Goods	- $ 20,000.
Offshore Technology Conference Houston / May 1982	Survival Suits	- $600,000.
	Submersibles	- $500,000.
Reconnaissance Mission to Middle East & N. Africa February 1983	Lumber	- $2 million
	Instrumentation	- $325,000.
	Fish Products	- $ 20,000.
Construction Mission to Australia / November 1982	Instrumentation	- $ 25,000.
	Materials Handling Equipment	- $200,000.
U.S. Sales Activities / Ongoing	High Fashion Goods	- $300,000.
	Wood Products	- $100,000.
Industrial Products Mission to Latin America / September 1982	Concrete Cutting Machinery	- $ 12,000.
Industrial Products Mission to S.E. Asia / January 1983	Orders worth $30,000.	
	Anticipated orders	- $800,000.

The direct sales indicated above represent, in most cases, the beginning of a continuing sales opportunity. Export development is a long-term proposition and, through its activity, the ministry supports ongoing efforts by local companies to maintain their contacts in foreign markets. Considerably greater sales should develop in the coming years as a result of initiatives taken in 1982/83. This is illustrated by sales confirmed during the past year which resulted from activities in the 1980/81 fiscal year. For example, $6.4 million in marine equipment to Mexico; $20,000 in consulting services to Chile; $200,000 in industrial products to Indonesia; and, $450,000 in forestry equipment to New Zealand.

Business Development Branch

The overall objective of the Business Development Branch is to create new jobs in B.C. by bringing into the province new

technology, capital and entrepreneurial skills which will expand, diversify, and strengthen our business base.

The branch's activities in 1982-83 encompassed four main areas:

Industrial Development staff identified non-B.C. companies which should be encouraged to establish manufacturing/processing/service operations in the province, and then sought to facilitate that investment.

Immigration Specialists encouraged and counselled foreign entrepreneurs to set up businesses in the province and assessed the viability of such proposed businesses;

The Coordinator of Commissions worked to enhance the operations of 22 Regional Economic Development Commissions that were established throughout the province;

Staff in B.C. House, London worked to promote our exports to Europe and to encourage European companies to invest in business operations in British Columbia;

Highlights 1982/83

In 1982/83, 13 senior-level business delegations from Japan, the U.S., the U.K., the Netherlands, West Germany, Italy, Belgium and Austria visited the province to assess business investment opportunities. Included was a group of 29 senior business journalists from leading newspapers in West Germany, the U.K., France and Switzerland. Also of particular note were delegations from the United Kingdom and Japan.

The British group included senior corporate representatives from firms based in the City of London. Between them, their companies offer a broad range of project financing, insurance, and other services to the business community. Through contacts made in British Columbia during their visit, they hope to develop closer relations here.

In April, a joint government/business delegation sponsored by the Japanese Ministry of International Trade and Industry visited the province. Its purpose was to assess the long-term investment climate in Canada. The delegation's report, which was issued in the fall of 1982, will have a significant influence on the nature and location of future investments by Japanese companies. The commentary related to British Columbia was generally positive.

During the year our European delegation visited more than 250 European companies which have interests in business and investment opportunities. They also participated in investment

opportunity seminars in the U.K., West Germany and France and represented the province at the world's largest industrial fair, in Hannover, West Germany.

Also during the year, the Canadian subsidiary of SEW Eurodrive, a West German manufacturer of power transmissions, opened an assembly plant for industrial mechanical drives in Delta. The Japanese automotive company, Toyota Motor Corporation, announced a decision to construct a $23 million facility in British Columbia to produce 240,000 aluminum alloy wheels a year for shipment to Japan and for use in local 100 direct jobs will be created at the plant phase of this project.

Dynatek Electronics Corporation announced plans to build a $42 million facility at Sidney, B.C. to assemble integrated circuits primarily for markets in the United States. The company expects to employ 1,200 within two years.

Our industrial development group led a mission of high-technology companies to the Eastern United States. These firms were bidding on contracts estimated to exceed $100 million. Staff also participated in two investment seminars in California and subsequently made visits to companies who expressed specific interest in establishing operations in British Columbia.

Also during the year, proposals were received from over 200 foreign entrepreneurs who planned to move to the province and establish businesses. These proposals represented an estimated $150 million in new investment and potential direct employment of over 1,500 people.

Industry Branch

The Industry Branch works closely with the province's manufacturers to assist them to develop their full potential. The group is extensively involved in marketing activities, productivity improvement, and encouraging the development of secondary industry.

During the year, staff members met with several thousand B.C. companies seeking advice or assistance on expanding their operations.

They also led and supported 12 British Columbia companies to participate in HOSTEX 82, the largest food and hospitality show in Canada. More than $750,000 in direct sales resulted from this show.

They supported a number of B.C. furniture companies to attend Furniture West Market 82 trade show in Calgary.

In July, the ministry hosted buyers from Seiyu Stores Inc. of Tokyo, a major Japanese food store. Potential annual sales of $250,000 exist.

The ministry, working in cooperation with the B.C. Oyster Growers Association and the shellfish industry, completed the first phase of a smoked, canned oyster pilot project. The success of this project could result in a $5 million domestic canned oyster industry.

In cooperation with the Ministry of Agriculture and Food, the ministry sponsored the B.C. Food Festival June 1-4. The 50 participating B.C. companies displayed their products to more than 30,000 consumers and trade buyers.

In June a delegation of Safeway grocery merchandisers from 6 U.S. cities was hosted.

The ministry worked with the federal government in hosting a group of Australian fish buyers in a tour of the province. Potential sales of up to $1 million were discussed.

The ministry joined other provinces and territorial government agencies at the Institutional Market Program reverse trade show in Winnipeg. The show was an attempt to replace imported goods with Canadian products.

Through the Office of Procurement and Industrial Benefits the ministry assisted Dome Petroleum in identifying potential B.C. suppliers for their Western Liquid Natural Gas project. As a result, over 30 B.C. manufacturing companies have been added to the company's approved world vendor list.

A directory entitled "Suppliers of Industrial Services For Major Projects in B.C." was prepared. The directory lists 1,100 B.C. companies which provide over 80 different services to industry.

The "Major Project Inventory" a listing of planned and ongoing major projects in B.C., was prepared and distributed to more than 150 B.C. suppliers.

In cooperation with the Ministry of Universities, Science and Communication and the federal government, the ministry sponsored a seminar on "Defence Industries Opportunities". The seminar was attended by 145 people representing 115 companies.

The ministry supported 9 B.C. electronic manufacturers in a technology search mission to the Wescon trade show in Anaheim, California. In addition, visits to major microelectronic chip manufacturing facilities were organized.

Ten companies were supported by the ministry to participate at the SIAL International Food Exhibition in Paris, France. On site direct sales totaled $3M and projected sales of over $36M in the next 12 month period were anticipated.

The ministry assisted 7 B.C. giftware companies to participate at the Toronto Spring Giftware Show. Direct sales of over $87,000 resulted.

The ministry joined the Ministry of Energy, Mines and Petroleum Resources and the Ministry of Environment to present the WestCoast Offshore Oil/Gas Expectations and Opportunities Conference. More than 500 people heard 12 technical papers on west coast offshore oil and gas potential plus environmental impact assessments, especially on the commercial and sports fishing of the Pacific coast.

In addition, the ministry staff:

Led a mission of six companies to ACHEMA 82, a chemical equipment trade show in Frankfurt, Germany. Trade visits in the Netherlands and Austria were also arranged.

Supported the first promotional fashion show to be held in Vancouver by the Western Canadian Fashion Designers Association.

Led 11 B.C. producers from the food and fish industry to Foodex Trade Fair in Tokyo, Japan where they displayed their products to Japanese and South East Asian food importers.

Led a group of five companies in Marine Equipment Mission to three shipyards and an equipment show in the U.S. as a follow-up activity to the Defense Industries Seminar.

Program Assistance

Market Development Program
Assisted 128 companies
Direct Sales: $4,174,940
Anticipated Sales: $45,056,500

Incoming Buyer Program
Assisted 24 companies
Direct Sales: $433,000
Anticipated Sales: $2,435,000

Trade Show Assistance Program
Assisted 74 companies
Direct Sales: $1,101,175
Anticipated Sales: $23,419,000

Technical Assistance Program - The ministry assisted 20 companies by contributing up to $5,000 for market, productivity, and feasibility studies related to the possible expansion of their business. The ministry also contributed financial support to 9 industry associations undertaking projects deemed to be of benefit to the member companies of the association.

B.C. Rail's Location/Identification/Control System (LICS) - In the past year the ministry completed its commitment of financial support to the LICS project. Over a five-year period, $831,000 was committed to the research and development of this traffic control system for single track railway operations. The project, now in the final testing stage, has attracted interest from Canada's national railways and several U.S. railways. Officials from Mexico, Australia, Pakistan and Saudi Arabia have also visited B.C. Rail and expressed interest in the potential application of LICS to their railway systems.

Product Development Management Program (PDMP) - In 1982/83, 27 British Columbia manufacturers were assisted in their efforts to bring new or improved products to the market place through PDMP. A wide range of products were reviewed by B.C. Research officials or consultants.

PDMP is a joint federal/provincial funded program and administered in the province by B.C. Research.

ECONOMICS AND STATISTICS DIVISION

The Economics and Statistics Division was created in July 1982 as an efficiency measure to bring the Central Statistics Bureau and the Economic Development Policy Bureau under common management.

The Division is responsible for providing the economic analysis, project evaluation, and policy development required to pursue the government's objectives of high employment, balanced economic growth, regional development, and economic diversification. The Division is also responsible for providing economic and social statistics and related services to government and the public and for the administration of the Statistics Act.

Central Statistics Bureau

Objectives

The Central Statistics Bureau is a central agency of government attached to the Ministry of Industry and Small Business Development. The objective of the bureau is to discharge the responsibilities of the minister for the administration of the Statistics Act. These responsibilities include the collection, compilation and projection of economic and social statistics of all kinds, as well as direct assistance to all ministries in meeting their individual statistical requirements. Additional responsibilities include certain kinds of government-wide coordination of statistical activities. The Act provides strong authority in the area of statistical data collection and safeguards for the confidentiality of the information provided.

Activities

The bureau provides available statistical data and advice on their use to all who request them. For clients within government, the bureau is prepared to develop new statistics and otherwise undertake projects to assist ministries in meeting their statistical requirements. Among the many services extended to government clients are: statistical computer models; survey design, management and processing; special tabulations of statistics for regions of the province; utilization of administrative records for statistical purposes; statistical bulletins and reports; extraction and derivation of statistics for specific applications; assembly and compilation of aggregate statistical measures; and liaison with Statistics Canada and the statistics agencies of other provinces.

The activities of the bureau are organized into three branches, whose individual objectives and activities are described below.

Economic and Business Statistics Branch

Objectives

The objective of the Economic and Business Statistics Branch is to develop statistical information on the British Columbia economy, including its industrial, commercial, financial and labour market structure. The primary aim of this work is to serve the needs of the business community and those government ministries and agencies having specific responsibility for economic and manpower development.

Activities

The B.C. Economic Accounts were updated during 1982 to provide benchmark data on economic production in the province from 1962 to 1981. These statistics form the basis for a number of government studies of economic performance. Within the branch, the data were employed in the development of provincial measures of labour productivity and capacity utilization.

During the year, the branch produced numerous statistical releases describing current economic conditions. Reports included the Monthly Consumer Price Index, Current Labour Market Conditions, B.C. Earnings and Employment Trends, the Canadian Balance of Payments, Bilateral Trade Statistics, and analysis of Statistics Canada's attitudinal surveys of business conditions in B.C. Also in 1982, written submissions on provincial statistical activities were prepared to assist Statistics Canada, including recommendations for a restructuring of the statistical framework relating to public sector financial activity.

In May 1982, in cooperation with the Ministries of Labour and Education, and with Statistics Canada and Employment and Immigration Canada, a survey of manpower in British Columbia's mining sector was carried out. Information to be derived from the survey, and expected to be released in June, 1983, includes employment by occupation, age, mobility and educational/training qualifications.

In 1982, the B.C. Occupational Data Clearing House was established to service the labour market and manpower data needs of public and private sector analysts. An inventory system was developed comprising over 175 manpower data files, and seminars were held with major data-producing agencies in Vancouver and Victoria.

The Census of Manufacturers data base developed by the branch continued its important role of providing custom tabulations and projections by industry and geographical area for a variety of users in government and the private sector. In addition, refinement of previously developed record linkage software enabled similar tabulations to be generated from other survey and administrative record files.

Population and Social Statistics Branch

Objectives

The objective of the Population and Social Statistics Branch is to serve the needs of government, business and the public for statistical data and information on the population and social characteristics of the Province of British Columbia.

Activities

During 1982 further advances were made in the branch's ongoing programs to develop small area statistics. The use of administrative data sources for generating regional information was emphasized wherever possible. This approach avoids unnecessary expense and time-consuming surveys and is consistent with the bureau's objective of minimizing the response burden imposed by surveys on the people and businesses of the province.

The "Translation Master File", a system designed to extract data from postal coded administrative files for user-specified geographical groupings, was extended and made fully operational during the year.

Systems were developed during 1982 to extract and aggregate 1981 Census data for non-standard geographic regions. A directory of data sources for information on communities and small areas in British Columbia was compiled and statistical profiles were prepared for more than one hundred communities in the province. The branch also inaugurated a system for tracking small area statistics on business incorporations and bankruptcies.

A new computerized system for automatically determining postal codes based on street addresses, and appending them to administrative records was completed, tested and implemented in 1982. While the primary purpose of the system is to obtain statistical information from administrative records, as an indirect benefit the system is also expected to be valuable to ministries in the provincial government in maintaining and updating mailing lists, and to substantially reduce postal costs through the correct use of postal codes.
The branch's population models, which estimate the current populations of all municipalities, regional districts, school

and health districts and justice areas in the province, were recalibrated during the year in order to take advantage of 1981 Census benchmark data. Improvements to provincial population projections by age and sex were completed, based on better methodologies for determining trends in fertility, mortality and migration. The branch also organized and hosted an interprovincial conference and working seminar on subprovincial migration statistics.

A system for generating current unemployment statistics by occupation category, age and location was completed and implemented in 1982.

The Population and Social Statistics Branch is also responsible for general data dissemination services to the government and people of British Columbia. Throughout the year thousands of requests for statistical information from government officials, the private sector and the general public were answered. Release of 1981 Census data in 1982 made the year particularly active in this respect.

Statistical Services and Integration Branch

Objectives

The primary objectives of the Statistical Services and Integration Branch are to perform quantitative analyses and studies in support of the decision making processes of the British Columbia Government, and in particular to develop, maintain and operate computer models and tools for such analyses.

Activities

A preliminary economic-demographic model was developed during 1982 to improve consistency of economic growth projections. The output of the model formed the basis of a number of important studies, including provincial energy demand forecasts by government and B.C. Hydro, projections of industrial land demand and manpower supply/demand models.

The branch provided technical and modelling support to the Ministry of Finance to prepare quarterly updates of the short-term forecasts of the provincial economy. During 1982, a number of changes were made to the Short-term Econometric Model and to the B.C. Leading Indicator to improve their reliability.

A British Columbia Input-Output Model has been developed. It is based on the structure of the provincial economy in 1974, and has been used to assess the impact of government policy and other economic events, including N.E. Coal Development, B.C. Place, potential U.S. tariffs on B.C. lumber exports, and import substitution in B.C.

The branch has developed a Major Projects Inventory System. This computerized system contains information on individual major capital projects planned or underway in British Columbia. Various summary reports have been developed which display project information sorted geographically or by size or type of project. Linkage with the Input-Output Model permits direct and indirect impact to be calculated quickly and easily.

Quantitative models are being designed to identify potential occupational imbalances arising from growth and change in B.C.'s industry mix. Begun in 1981 as a cooperative venture with the Ministries of Labour and Education, participation was extended during 1982 to include technical discussions and data exchange with the Canadian Occupational Projection System (COPS) under development at Employment and Immigration Canada. The B.C. model is expected to provide certain aggregate series for use in the national model.

The branch is responsible for coordinating data processing services for all divisions of the Ministry. The acquisition of microcomputers has increased computer useage and yielded cost savings and efficiencies.

Economic Development Policy Bureau

Objectives

The bureau is responsible for providing information and analysis required to guide government economic policy development and for the formulation, assessment, and coordination of policy and program alternatives to promote the economic development of the province. It evaluates major project proposals and provides planning, coordinating and negotiating functions to assist their realization. The bureau has the responsibility for developing and coordinating the provinces' industrial policy strategy and interacts with the federal government on economic development policy matters.

The bureau provides economic services to agencies within the government and disseminates public information on the provincial economy and the government's policies and programs through a number of regular publications and special reports. Over the past year, the bureau has been consolidated and reorganized and now delivers these functions through two branches: the Sectoral Analysis Branch and the Regional and Resource Analysis Branch.

Sectoral Analysis Branch

The branch is responsible for economic analysis, assessment of development opportunities, and formulating and advising on policies and strategies in the renewable resource, resource processing, manufacturing and service sectors. The branch has the primary responsibility for the development, coordination, and review of provincial industrial policies and for interacting with the federal government in economic development policy areas.

Activities

The bureau conducted analyses of each of British Columbia's economic sectors and assessed factors affecting the province's major industries, including international market conditions, national and foreign government policies and technological trends. These analyses provided the basis for policy, project, and program recommendations.

In December of 1982, the ministry released the 1982-83 Economic Review and Outlook. Its major conclusion was that, although British Columbia was hit hard by the world-wide recession in 1982, it will begin recovering in 1983.

Other activities of the branch included: assistance in the development of an inventory system for major capital projects, the development of a market intelligence system for fisheries products, an analysis of manufacturing costs for the forest industry, and the preparation of the following support publications:

External Trade Report
British Columbia Facts and Statistics
Directory of Importers and Manufacturers Agents
Directory of Public Buying Agencies in British Columbia

The branch put forward, for cabinet consideration, a number of proposals stemming from the Industrial Policy Framework for stimulating economic activity. In addition, the branch assisted in the review of the province's property tax system, submitting various proposals for improvement. It also represented the ministry on a number of resource allocation planning activities, such as the Squamish Estuary Task Force.

As part of its responsibility for federal-provincial relations in the area of economic development policy, the branch began

negotiations with the federal government on a new umbrella agreement for British Columbia to succeed the expiring General Development Agreement and its subsidiary programs.

The branch evaluated a number of industrial development opportunities and proposals during the past year, including the feasibility of logging, wood processing and other development opportunities at Ocean Falls, as well as the possibilities of developing an associated oriented-strand board plant which would utilize low grade cedar on the coast, copper smelting, salmon ranching, steel production and reactivation of Oakland Fisheries plant.

In addition, the branch represented the province on the Canada-Japan Resource Processing Group, which is concerned with opportunities for mutually beneficial trade and investment in the resource processing sectors. Discussions in 1982 focused on metal smelting and petrochemicals; topics of special interest to British Columbia.

The branch prepared economic analyses of forest policies and forest industry market conditions and assisted the forest industry in support of Canada's defense against the United States' countervailing duty investigation of Canadian softwood lumber exports.

The branch provided economic advice to the Ministry of Environment on requests for Variance Orders under the Waste Management Act. Variance orders involved the extension of target dates for industrial facilities to comply with various environmental standards and were allowed on the grounds of adverse economic conditions.

The branch is also responsible for maintaining the province's guidelines for benefit-cost analysis and, in that capacity, appeared as an expert witness on benefit-cost analysis in the British Columbia Utilities Commission hearings into B.C. Hydro's Peace Site C proposal.

Regional and Resource Analysis Branch

The branch provides economic and social analysis and formulates and advises on economic policies and programs in the non-renewable resource, public utility and transportation sectors. The branch also has the primary responsibility to coordinate and conduct broad regional planning initiatives, identify regional development opportunities and study the feasibility of community and transportation infrastructure.

Activities

In July of 1982 the branch released A Benefit-Cost Analysis of the North East Coal Development which provides a comprehensive report of project planning undertaken since 1976 and describes the economic analysis on which decisions regarding government investment in this project were made.

During 1982/83, the branch provided support to the North East Coal Development Office by advising legal staff in the preparation of agreements between the province and other parties, by coordinating project budget information within the government, and by working with the Office in obtaining necessary approvals and permits.

The branch also assisted the B.C. Railway in the economic analysis leading to its decision to proceed with the high-voltage electrification of the Tumbler Ridge Branchline. This is the first project of its kind in Canada and only the third in the world, and is particularly well suited to the operation of long, heavy trains in difficult terrain.

The branch continued its active involvement in the evaluation of a number of other projects including the Western LNG Project, the Prince Rupert Petrochemical Terminal proposal, Alcan's Kemano Completion Project, several potential mineral and coal mining projects, and proposals to develop facilities for the management of special (hazardous) wastes in British Columbia. Involvement entailed liaison with proponents and participation on government review and planning committees.

The branch evaluated specific policy issues including financial assistance to the B.C. Railway, Crow Rate reform, port development, expansion of municipal boudaries to enclose large-scale industrial enterprises, property taxation, industrial electricity pricing, as well as a number of proposals to stimulate industrial activity.

The branch assessed regional development opportunities, identifying constraints, strategies and prospects for development. These opportunities may involve port, rail, and townsite development. Two current examples of such broad regional planning are the North East coal development and the Northwest region planning studies.

In September of 1982, the branch published The Northwest Region - A British Columbia Regional Economic Study. Since then the branch has continued to coordinate a more detailed assessment of the region's resource potential, infrastructure

needs and the social and environmental implications of development. It is hoped that this assessment will form the basis of future planning efforts in Northwestern British Columbia.

The branch provided economic forecasts of world coal markets and evaluated the potential for developing new industries utilizing natural gas to produce fertilizers, petrochemicals and LNG.

During 1982/83, the branch released The Current Market Value of British Columbia's Coal, which estimated the market value of coal from established and proposed mines in the province based on various characteristics that are considered important to purchasers.

The branch also provided an analysis of the effects various resource developments will have on the people of the regions and communities in which they will proceed. Examples of socio-economic work undertaken during 1982/83 include:

- comparative socio-economic analysis of several natural gas development proposals under the Natural Gas Allocation Process,
- detailed socio-economic impact analysis of Dome Western LNG project,
- comments on several coal, metal mine, and energy projects under review by government agencies,
- detailed socio-economic and regional impact analysis and monitoring for the North East coal project,
- overview of socio-economic impacts of Northwest development.

Grants

The Ministry of Industry and Small Business Development, in its 1982/83 estimates, provided for a number of grants and financial contributions to support the following activities:

Cooperative Overseas Market Development Program - $1,876,000
This $31.5 million program, jointly financed by the ministry, the federal department of Industry, Trade and Commerce, and the British Columbia Council of Forest Industries is an outstanding example of an aggressive cooperative venture between governments and industry. The program is in the second year of its third, five-year term.

The major goals of the program are: to increase demand and prices for Canadian lumber, plywood and shingle products in overseas markets; to achieve greater diversification for

primary and secondary wood products; and to continue the development of offshore markets for interior wood species.

On March 3 - 4, 1983, representatives of COFI and affiliated associations met with government and industry personnel in Seoul, Korea. The mission's objective was to evaluate the current market potential for spruce-pine-fir lumber in Korea and to promote the acceptance of Canadian lumber standards and Canadian 2x4 construction methods.

This mission was the culmination of two years of preliminary investigations, which included two visits by the minister, the Honourable Don Phillips, in September 1981 and December 1982.

The Korean construction industry offers a promising market for Canadian lumber. The Korean government plans to construct 1,460,000 housing units during the next four years. Discussion are progressing with Hyandai Engineering and Construction Co. Ltd., a Korean firm, to construct a demonstration project of 40 single units and 12 duplex units using the platform frame construction method. Since Korean construction companies are involved in many major construction projects in other countries, the adoption of platform frame construction by Korean contractors could open many new markets for Canadian lumber.

British Columbia Development Corporation - $927,000 - The Development Corporation received a grant to cover the Low Interest Loan Assistance program, which provides low-interest loans for the capital costs of fixed assets for new and expanding manufacturing, processing and high tech facilities.

Burns Lake Native Development Corporation - $397,000 - This corporation was formed in 1975 to stimulate business opportunities for native people in the Burns Lake area. Under the terms of the 1979 Burns Lake Native Development Corporation Agreement, the ministry grant provides annual assistance towards operating costs and the training of native economic development officers.

Junior Achievement - $15,000 - The Junior Achievement Program is designed to introduce students to the world of business and entrepreneurship. The ministry's contribution to the general funding of the program is representative of the government's recognition of the important role played by the organization; a role endorsed by the over 400 business volunteers who are involved annually as board members, business awareness presenters, advisors, consultants, fund raisers and staff. During the year some 1,200 young people participated in the British Columbia programs. A portion of the ministry's grant was used to fund awards for those students demonstrating the most imagination and enterprise in their new-business venture.

INDUSTRY AND SMALL BUSINESS DEVELOPMENT STAFF COMPLEMENT

Establishment

	Employed	Vacancies	Total
March 31, 1982	155	10	165
March 31, 1983	147	18	165

Distribution

Victoria:	1982	1983
Minister's Office	7	7
General Administration	26	25
Economics & Statistics Division	59	54
Small Business & Regional Industrial Development Division	28	28
Vancouver:		
Trade & Industry Division	29	37
Small Business Services	12	12
London:	4	2
TOTAL:	165	165

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